



February 2, 2018

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

File Reference No. 2018-210: Income Statement – Reporting Comprehensive Income (Topic 220) –
Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income (Proposed ASU)

Dear FASB Board Members and Staff:

The PNC Financial Services Group, Inc. (“PNC” or “we”) appreciates the opportunity to comment on the Proposed ASU which has been issued by the Financial Accounting Standards Board (“the Board”) to address a narrow-scope financial reporting issue that arose as a consequence of the Tax Cuts and Jobs Act of 2017 (“the Act”). We applaud the Board’s efforts to expeditiously address this important issue.

PNC agrees with the amendments in the Proposed ASU that would require a reclassification from accumulated other comprehensive income (AOCI) to retained earnings for stranded tax effects resulting from the newly enacted federal corporate income tax rate. We concur that current generally accepted accounting principles results in AOCI not reflecting the appropriate tax rates which can be confusing to a user of our financial statements and can also be an administrative burden to preparers.

PNC agrees with the transition requirements which would require retrospective application to each period in which the effects of the change in federal corporate income tax rate is recognized. In addition, we agree with the proposed effective date of January 1, 2019, and that early adoption should be permitted, including adoption in any interim period for which financial statements have not yet been issued.

We also support the FASB taking on a broader project on backwards tracing as we believe recognizing the effects of changes in deferred tax amounts in the same line item in which the deferred tax amounts were originally recognized results in more transparent information to users.

We appreciate the opportunity to share our views with the Board. We welcome any questions or comments you may have on this letter. Please contact me (412.762.1622) with any questions about PNC’s comments.

Sincerely,

A handwritten signature in black ink that reads "Lauren Belot". The signature is written in a cursive, flowing style.

Ms. Lauren Belot
Director of Accounting Policy
The PNC Financial Services Group, Inc.

cc: Mr. John (JJ) Matthews
Director of Finance Governance and SEC Reporting
The PNC Financial Services Group, Inc.

Mr. Gregory H. Kozich
Senior Vice President and Corporate Controller
The PNC Financial Services Group, Inc.